

# **EXHIBIT 1H**



## Tip Reporting Acknowledgement

Understanding tax laws can be difficult. This acknowledgement form is designed to help you understand your responsibilities for tip reporting. These rules apply to any tips you receive, either from a customer or another employee.

### **There are three key facts to remember:**

Tax laws require you to keep records of all of your tips, tip-outs and tip-sharing.

Tax laws require you to report 100% of your tips to your employer (unless they total less than \$20 for a month).

Tipped employees are required to keep evidence sufficient to establish their tip income, such as DAILY records of:

The amount of cash tips received directly from customers and other employee's

The amount of tips received on charge receipts \* *Tips paid out to other employees and their names*

You can use IRS form 4070-A, *Employee's Daily Record of Tips*, to keep records of your cash tips, charge tips, and the tips you pay to the other employees and their names. This form is included in IRS Publication 1244, which can be obtained from the IRS website at <http://www.irs.gov/formspubs/> or ordered from the IRS by calling 1-800-829-3676.

### **Reporting your tips can benefit YOU:**

\* Qualifying for credit or loans can be easier if you have higher reported income.

\* Your Social Security benefits will increase when you retire.

\* Keeping records and reporting all your tips can help you avoid an IRS audit, or defend your tax returns if you are audited.

\* Failure to report tips to your employer can result in the IRS imposing tax penalties on you.

### **Procedures for Tip Reporting**

Report cash tips upon completion of your shift when prompted prior to signing out.

Credit card tips are reported with each bi-weekly payroll cycle.

### **Employee Tip Reporting Acknowledgment**

I have read, or had read to me, the "Tip Reporting Acknowledgment" Document.

I have received training regarding my company's procedures in reporting tips to the company.

I understand that failure to follow company procedures may result in disciplinary action.

Employee Name: \_\_\_\_\_

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Manager Signature: \_\_\_\_\_ Date: \_\_\_\_\_